Use of Soiled Currency Notes

1614. SHRIMATI JAYA BACHCHAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that the wads of currency notes reissued by the Public Sector Banks contain a large number of mutilated, partially cut, two pieces, mismatched and very old notes that have completed their life;

(b) whether the practice is not in conformity with the directions issued by RBI; and

(c) the steps proposed to be taken to address the situation and avoid inconvenience to the customers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Reserve Bank of India (RBI) have reported that they have not come across any such complaints in the recent past.

(b) In terms of the Reserve Bank directives and guidelines currency-chest branches are required to verify, to process and to sort all the banknotes received by them both directly and from other branches and ensure that (a) banknotes unfit for further circulation are returned to the Reserve Bank and (b) good quality banknotes are reissued.

(c) RBI has created public awareness to insist on issue of clean bnknotes by the banks. Banks are also authorised to accept and exchange soiled, mutilated, etc., banknotes Reserve Bank has directed that the currency chest branches are equipped with appropriate machines to expedite the process of verification, processing and sorting of banknotes. While some banks have already installed such machines, banks with more than 100 currency chests have been given time upto November 30, 2005, to install the machines.

NPA of Public Sector Banks

1615. SHRI VIJAY J. DARDA:
SHRI MURLI DEORA:

Will the Minister of FINANCE be pleased to state:

(a) what was the percentage of Non-performing assets of PSU Banks during 2004;

(b) what is the target percentage of NPA during 2005;

(c) what special measures are proposed to be taken by Government to ensure that NPA's are wiped out gradually during the coming five years, *i.e.* by 2010; and

(d) what is the profile of NPA account holders, and its break-up into large, medium or small account holders?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The percentage of Net Non-Performing Assets to Net advances of Public Sector Banks as on 31st March, 2004 and 31st March, 2005 is 3.0% and 2.1% respectively.

(b) and (c) No specific tartget percentage of NPA during 2005 has been prescribed by the Government. However, the Government has been impressing upon the public sector banks to make concerted efforts to reduce level of NPAs. The Government of India and Reserve Bank of India have stipulated certain steps for recovery of loans, which, *inter alia,* include evolving and implementing a recovery policy by banks, filing of suits in civil courts/DRTs, issue of notices under SARFAESI Act, 2002, compromise settlement and monitoring and follow up of NPAs at various levels. The Credit Information Companies (Regulation) Act, 2005 has been enacted to provide for regulation of credit information companies and to facilitate efficient distribution of credit thereby arresting fresh accretion of NPAs. Credit Information Bureau (India) Ltd. has also been set up to disseminate information on borrowers to the banks.

(d) Credit Information Bureau (India) Limited is maintaining a database on suit-filed accounts of Rs. 1 Crore and above and non suit-filed accounts (wilful defaulters) of Rs. 25 Lacs and above. The information can be accessed at CIBIL website www.cibil.com.

Recovery of Direct Taxes

†1616. SHRI RAM JETHMALANI:
DR. MURLI MANOHAR JOSHI:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that an amount equal to the amount recovered as direct tax from 1991 -92 to 2004-05 has remained pending to be recovered;

†Original notice of the question was received in Hindi.